											Prep By:
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					- Retailer						
					m 1120S						
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				<u>263A C</u>	Computation	<u>n</u>					
Ctor	. 1.										
Ster Determine		orogo portion	of dual functi	on storage for	.:1:4						
Determine	OII-SHE SH	orage portion	of dual fulleti	on storage rac	inty.						
1. Identify	, Non On-	Site Sales:									
Total Sales		one sales.							\$	_	
Total Sales	3.								Ψ		
On-site	Sales:										
	s and Trucl	ks			\$	_					
	s and Truc				\$	-					
							\$	-			
Non On-S	ite Sales:										
Wholesal											
Cars					\$	-					
Trucks					\$	-					
							\$	-			
Leasing					\$	-					
InterNet					\$	-					
Dealer - 7	Гrade				\$	-					
Fleet					\$	-					
							\$	-			
~ .	_										
Service					ф						
Productio					\$	-					
Handling					\$	-	¢.				
							\$	-			
Parts 1	Dent:										
Wholesal					\$	_					
	Catalouge				\$						
Service D					\$						
3517100 B	-P*				+		\$	_			
									\$	_	
									T		
2. Calcula	te Off-Site	Storage Perc	entage for Du	al-Function F	acility:						
Non On-Si	ite Sales	<u> </u>	<u> </u>		J .				\$	_	
Total Sales									\$	-	
Off-Site S	Storage Per	rcentage for I	Dual-Function	Storage Facil	ity				#DIV/0	!	
OII-DIC L	otorage i c	recittage for I	Juai-1 unction	Storage 1 acm	пту				1111110	•	

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							Date:			
			ш	Test	- Retailer	1				
					m 1120S					
				2	00612					
				263A (Computation					
Ste	p 2:				•					
		ortion of di	ual-function	n storage f	acility costs:					
	-									
1: Identify	y dual-func	tion storag	ge facility l	ots/locatio	ns:					
		·								<u>%</u>
Square for	otage of lot	(s) in fron	t of show r	oom(s)					0	#DIV/0!
			of show ro						0	#DIV/0!
					show room(s) of	car displays			0	#DIV/0!
1	<u> </u>	<u> </u>								
	Total Squa	are Footage	e						0	
2: Identify	v total cost	s of dual s	torage facil	lity/locatio	n·					
-	direct labo		corago raci	11. 17. 100 0010				\$	_	
Pension		· Cobto						\$		
	ringe Bene	fits						\$		\$ -
	cy expense							Ψ		Ψ
Rent	cy expense	<u>n</u>						\$	_	
Deprec	iation							\$		
Insuran								\$		
Securit								\$		
Taxes	y							\$	-	
Utilitie	•							\$	-	
Mainte								\$	-	
		mdimaat) an	d supplies					Þ	-	
	`		id supplies							
	and Equip	ment						ď		
Rent Mainter								\$	-	
								\$ \$	-	
Depreci									-	
Insuran	ce							\$	-	
Tools								\$	-	
Telephon	ie							\$	-	
Travel	0 1	4- 414-1°	41 1	<u>C.</u> 4 ·				\$	-	
					ncurred by reason	I1				see msc
			on activities			ha				
				or in the j	performance of the	ne		¢		
t/p's resa	le or produ	iction activ	vities					\$	-	
	T-4-1 A	li a al-1 - C	-4-					¢		
	Total App	ncable Co	SIS				-	\$		
Calcula	te capitaliz	zable stora	ge portion	of dual-fu	nction storage fac	cility cost:				
	Total App								0	
	Off-Site S	torage Per	centage for	Dual-Fun	ction Storage Fa	cility - Step 1		#D	IV/0!	from step 1
		Capitaliza	ble Storage	e Costs of	Dual-Function S	torage Facility		#D	IV/0!	to step 9

Off-Site Storage					
			()++ Cita Starage		

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							Date:			
					- Retailer		 			1
					n 1120S					
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				263A C	omputation	1				
Ste	p 3:									
Determine	off-site st	orage facil	ities:							
1. Identify	off-site st	torage faci	lities locat	ions:						
										1
										+
										+
2. Identify	costs of c	ff_cite ctor	age facilit	v/location:						+
	direct labo		age raemi	y/10cation.				\$	_	+
Pension		1 00010						\$	-	+
	ringe Bene	fite						\$	-	+
								Ф	-	
_	cy expense	es						d.		1
Rent	• .•							\$	-	
Deprec								\$	-	
Insuran								\$	-	
Securit	y							\$	-	_
Taxes								\$	-	
Utilitie								\$	-	
Mainte								\$	-	
		indirect) ar	nd supplies	3						
Vehicles	and Equip	ment								
Rent								\$	-	
Mainter	nance							\$	-	
Depreci	ation							\$	-	
Insuranc	ce							\$	-	
Tools								\$	-	
Telephon	ie							\$	-	
Travel								\$	-	1
	& admin co	osts that di	rectly bene	efit or are i	ncurred by	reason				see msc
		r productio								
					performan	ce of the				+
		action activ			r Jii Jii Mil	01 1110		\$	_	+
u p s resu	is of produ	action activ	, 16100					Ψ		+
	Total App	licable Co	ete					\$		1
	тогаг Арр	incapie Co	515					_	-	4
								to step) 9	1
Mater										
Note:										1
Please be a	aware that	the above	items may	not be all	inclusive.					

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				Retailer					
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	1	1	263A Co	mputation		T.	T		
<u>Step 4:</u>									
Identify Production	costs:								
1. Service Departm									
a. Identify installa		o dealer-ov	vned new a	and used ca	<u>irs</u>				
Direct/Indirect labor	or costs						\$	-	
Pension							\$	-	
Other Fringe Ben	efits						\$	-	
Labor									\$ -
Occupancy expens	es								
Rent							\$	-	
Depreciation							\$	-	
Insurance							\$	-	
Security							\$	-	
Taxes							\$	-	
Utilities							\$	-	
Maintenance							\$	-	
Materials(direct &	indirect) ar	nd supplies							
Vehicles and Equip									
Rent							\$	-	
Maintenance							\$	_	
Depreciation							\$	_	
Insurance							\$	_	
Tools							\$	-	
Telephone							\$	_	
Travel							\$	_	
General & admin c	osts that di	rectly bene	fit or are i	ncurred by	reason				see msc
of the t/p's resale of									
Any other cost incu				_ performan	ce of the				
t/p's resale or prod				r	01 010		\$	_	
p o result or prod							7		
Total Cos	sts - Service	e - New and	l Used Car	rs			\$	_	
1000	5011100	1,0 W und	- 0000 000				Ÿ		
	1								

							,		
b. Identi	fy installat	ion costs to	o dealer-ov	vned new a	and used tr	<u>ucks</u>			
See above	expense it	ems						\$ -	
	Total Cost	ts - Service	- New and	d Used Tru	icks			\$ -	
Total Serv	ice Depart	ment Produ	action Cos	te					\$ -
Total Bel v	lee Depart		action cos	LIS					Ψ
2. Body S	Shop - Prod	luction Cos	sts:						
a. Identi	fy installat	ion costs to	dealer-ow	vned new a	nd used ca	rs			
See above	•							\$ -	
200 400 10	orpoinse it	-1110						Ψ	
	T 1 C	D 1 0	1 37	177 1				Ф	
	Total Cost	ts - Body S	hop - New	and Used	Cars			\$ -	
h Identi	fy installat	ion costs to	dealer-ov	vned new a	and used tr	ucks			
	-		dealer ov	viica ne vi c	ina asea tr	ucis		\$ -	
See above	expense n	ems						Þ -	
	Total Cost	ts - Body S	hop - New	and Used	Trucks			\$ -	
Total Rod	y Chon Dro	duction Co	nata						\$ -
TOTAL DOG	y shop rre	Auction C	olo						φ -
3 Other I	Denartmen	ts - Produc	tion Costs:	<u> </u>					
a. identi	iy installat	ion costs to	dealer-ow	vnea new a	and used ca	rs			

	Total Cost	ts - Other I	Department	ts - New ar	nd Used Ca	rs		\$ -		
h Ident	ify installat	ion costs to	n dealer-ou	uned new a	nd used tm	ıcks				
o. Idelit	iry mistanat	ion costs to	J dealer-ov	viicu liew a	ma usca III	acks				
	Total Cost	ts - Other I	Department	ts - New ar	nd Used Tr	ucks		\$ -		
Total Oth	er Departm	ents Produ	ction Cost	S					\$	_
Total Offi	- Dopardin	CIII I I Odu	CHOII COST						Ψ	
	Total Prod	luction Cos	sts						\$	-
									to step	10
	1								P	

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					- Retailer						
				For	m 1120S						
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				263A (Computatio	n					
Ste	<u>р 5:</u>										
Identify H	andling co	sts - Custo	mer Owne	d Vehicles	<u>:</u>						
1. Process	sing Costs	and Assem	bling Cost	s- Service	departmen	t and Body	Shop Inst	allation			
a. Service	e Departm	ent Costs									
Direct/In	direct labo	r costs							\$	-	
Pension	1								\$	-	
Other F	ringe Bene	efits							\$	-	\$ -
Occupan	cy expense	es									
Rent									\$	-	
Deprec	iation								\$	-	
Insurar	nce								\$	-	
Securit	y								\$	-	
Taxes									\$	-	
Utilitie	S								\$	-	
Mainte	nance								\$	-	
Materials	s(direct & i	indirect) an	d supplies								
	and Equip		_ =								
Rent	- 1								\$	-	
Mainter	nance								\$	-	
Depreci	ation								\$	-	
Insuran									\$	-	
Tools									\$	-	
Telephor	ne								\$	-	
Travel									\$	-	
	& admin co	osts that di	rectly bene	fit or are in	ncurred by	reason					see msc
		r productio									
		rred for the			performanc	e of the					
		action activ							\$	-	
•	•										
	Total Cost	ts - Service	Departme	ents					\$	-	
	I.	I		l .	l .	l .	1	1	1		1

		,			,	,			
	Shop Cost								
See above	expense it	ems						\$ -	
		- 1 a							
	Total Cost	ts - Body S	hop					\$ -	
	Costs - Sub		s, etc.					ф	
See above	expense it	ems						\$ -	
	T . 1 C .	0.1	7					ф	
	Total Cost	ts - Other C	Costs					\$ -	
m 15			~						
Total Proc	cessing and	Assemblii	ng Costs						\$ -
	ortation Co								
	fy installat			ned new a	nd used ca	<u>rs</u>			
	e vendor to				0 111				
	e taxpayer					11.			
	taxpayer's								
	taxpayer r		-		-	•			
From one	e taxpayer:	retail facili	ty to anoth	er taxpaye	r retail faci	llity			
	T. 4.1 C 4	Т		. 4 .					d.
	Total Cost	ts - Transpo	ortation Co	OSTS					\$ -
		T-4-1 II.	JI: C						¢.
		Total Han	dling Costs	8					\$ -
2 0 1 1		11 1							
3. Calcula	ate capitaliz	zable hand	ling costs:						
	T-4-1 II.	J1: C	1					¢	
		dling Costs		Dual E.	otion Ctore	es Escilia	Ctor 1	\$ - #DIV/01	Enone et en 1
	OII-Site S	torage Perc	entage for	Duai-Fun	ction Stora	ge racility	- Step 1	#DIV/0!	From step 1
		T. 4.1.C	14.15 .11 T	I 11'	4 -			#D177/01	T 0
		1 otal Cap	italizable F	iandling C	OSTS			#DIV/0!	To step 9

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					Retailer					
				Form	n 1120S					
				20	0612					
				263A C	omputation	<u> </u>				
Ste	ep 6:									
		Costs - Dea	aler Owned	l Vehicles and	Parts:					
	election of n									
Salaries							\$	-		
	Total Cost	ts of Select	ion of Mer	rchandise			\$	_		
	20101 0050						7			
2 Tham	aintenance	of stock as	cortment o	nd volume						
Salaries	annenance	of Stock as	sorunciit a	III VOIUIIIC			\$	_		
Saiaiies							Ψ	-		
	Total Cart	ts of Maint	ananca of	Stools			¢			
	Total Cost	is of iviaint	enance of	SIOCK			\$	-		
0 Fri										
	acement of	purchase of	orders							
Salaries							\$	-		
	Total Cost	s of Purch	ase Orders				\$	-		
4. The es	stablishmen	t and main	tenance of	vendor contrac	ets					
Franchise	Fee						\$	-		
	Total Costs	Establishmer	nt and Mainte	enance of Vendor	Contracts		\$	-		
5. Comp	arison and t	esting of n	nerchandis	e						
Salaries Salaries				-			\$	_		
							*			
	Total of C	omparison	and Testin	ng of Merchand	lise		\$	_		
	101111010	- Inparison	and robth	-5 01 11010114110			Ψ			
		Total Day	hagina C-	ata					\$ -	
		10tal Purc	chasing Co	SIS						
m . 1 D	1			Φ.					to step 10	
	chasing Cos			\$ -						
Less: Fra	nchise Fees			\$ -						
	Total Purc	hasing Lab	or	\$ -	to step 7					

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								Date:	
					est - Retail				
]	Form 1120	S			
					200612				
				263	A Computa	ation			
Ste	p 7:								
	Total Mix	ed Service	Costs						
1. Identify	mixed service	ce costs de	partments/fu	unctions and	d their costs	:			
a. Person	nel					•			
						\$ -			
	Total Perso	nnel Costs					\$	-	
							-		
b. Accour	nting - Excer	ot Purchasir	ng Costs						
						\$ -			
	Total Accou	ıntina Costs	<u> </u>				\$	-	
	10101710000	inting Oosic	,				Ψ		
c. Process	ing								
	J					\$ -			
	Total Dunca	i C					· ·		
	Total Proce	ssing Costs	5				\$	-	
d. Security	,								
a. Cooding						\$ -			
						-			
	Total Secur	ity Costs					\$	-	
e. Legal									
c. Legai						\$ -			
						<u> </u>			
	Total Legal	Costs					\$	-	
f Other O	milar Dana	monto							
Administrat	milar Depart	ments				\$ -			
, willingual						Ψ -			
	Total Other	Similar Dep	partments			-	\$	-	
									<u> </u>
		Total Mixed	I Sorvice Co	nete					¢
		TOTAL MIXEC	i Service Co	วอเอ					\$ -
2 Calculat	e capitalizat	ole portion o	of mixed ser	vice costs					
a. Identify		old portion (
From	263A Labor								
Step 4	Production	Labor					Ψ	-	
step 2	Capitalizabl	le Dual- Fur	nction Stora	ge Labor			T	-	
step 5	Capitalizabl	e Dual-tund	tion Handli	ng Labor			\$	-	

step 6	Purchasing Labor				9	-		
	Total 263	A Labor			9	-		
	Total Labor							
	Compensation of Offi	cers - Page	1		9	5 -		
	Salaries and Wages -	Page 1			9	5 -		
	Less: Mixed Service	Cost Labor			9	\$ -		
	Total Lab	or			9	-		
b. Calcu	late simplified service co	st ratio - lab	or based					
	263A Labor				9			
	Total Labor				9	5 -		
				ratio		#DIV/0!		
c. Calcu	late capitalizable portion	of mixed se	rvice costs					
	Total mixed service c				9			
	Simplified Service Co	st Ratio, abo	ve			#DIV/0!		
	Capitaliza	ble portion o	f the MSC			#DIV/0!	to step 8	

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				Test	- Retailer				
				For	m 1120S				
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				263A (Computation				
					•				
Ste	ep 8:								
		rvice Costs	s between I	Purchasing	and Storage	and Handl	ing:		
11				<u> </u>					
Calculat	e amount of r	nixed service	costs to be i	ncluded in th	e numerator of	the purchasi	ng absorption ra	tio	
T. Cureura				Treated in the		puremus:			
	Purchase	Costs				*	Capitalizabl	e Mixed Se	ervice Costs
			Storage and	l Handling	Costs		Supraired of	1.11.100 00	
	1 Grenasin		l storage and		Costs				
	Purchase 0	Costs - Ste	n 6				\$ -		
		Costs - Ste	•		0		#DIV/0!		
			2, Limited		#DIV/0!		# D1 1 /0.		
			p 5, Limite		#DIV/0!				
	Tranding	Costs - Sic	p 3, Linne	-u	# D1 7 /0:				
						ratio	#DIV/0!		
	Conitoliza	bla Miyad	Service Co	osts Stan	7	Tatio	#DIV/0!		
	Capitanza	DIE MIXEU	Service Co	osis - siep	/		#DI V/U:		
		MCC	1. 1 ' . D	1	1	. NT		#DIV/01	4 4 10
		MSC incl	uaea in Pui	rcnasing A	bsorption Rat	10 - Nume	erator	#DIV/0!	to step 10
2. Calculat	e amount of r	nixed service	costs to be i	ncluded in th	e numerator of	the storage a	and handling abs	orption ratio	
		<u>nd handling</u>				*	Capitalizabl	e Mixed Se	ervice Costs
	Purchasin	g Costs + S	Storage and	l Handling	Costs				
			Costs - St		#DIV/0!	from step			
	I	ed Handlii	ng Costs - S		#DIV/0!	from step			
	Apportion				l .	1	#DIV/0!		1
	Apportion	Total App	ortioned S						
	Apportion	Total App	ortioned S and S&H C		e		#DIV/0!		
	Apportion	Total App			e				
	Apportion	Total App			e	ratio			
		Total App Purchase		Costs, abov		ratio	#DIV/0!	from step	7
		Total App Purchase	and S&H C	Costs, abov		ratio	#DIV/0! #DIV/0!	from step	7

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				F	orm 1120S	•				
					200612					
				263 <i>A</i>	A Computa	tion				
Ste	p 9:									
Calculate	Storage &	Handling I	Ratio:							
1. Calcul	ate numera	tor of stora	ge & hand	ling ratio:						
										From
	Capitaliza	ble off-site	storage co	osts					\$ -	Step 3
	Capitaliza	ble portion	of mixed	service cos	sts - S&H				#DIV/0!	Step 8
		ble portion				ite Stora	age		#DIV/0!	Step 2
		ble portion					#DIV/0!	Step 5		
		Total Capi	italizable S	torage & I			#DIV/0!			
2. Calcul	ate Storage	and Handl	ing ratio:							
	Total Cap	italizable S	torage & I	Handling C	Costs			Storage &	Handling	
	Beginning	Inventory	+ Purchas	es		П		Cost Ratio)	
		Total Capi	italizable S	Storage & I	Handling C	osts			#DIV/0!	
		Beginning	Inventory			\$	-		\$ -	
		Purchases	<u> </u>			\$	-			
			Storage &	Handling	Cost Ratio				#DIV/0!	to step 11

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						Date:	
			Test	- Retailer			
			For	m 1120S			
			2	00612			
			263A (Computation	on		
Step 10:							
Calculate Purchasin	g Ratio						
1. Calculate numera	ator of purc	hasing rati	o:				
							from
Production	on Costs - S	Step 4				\$ -	step 4
Purchasin						\$ -	step 6
Capitaliz	able portion	n of MSC -	Purchasin	ıg		#DIV/0!	step 8(1)
				Ĭ			
	Total Cap	italizable I		#DIV/0!			
2. Calculate Purcha	sing Costs	ratio:					
Total Car	oitalizable I	Purchasing	Costs		Purchasing		
Purchase				=	Ratio		
1 01 011 015							
Total Car	italizable I	Purchasing	Costs			#DIV/0!	
	s-1120S-Sc					0	
1 51 511450	11200 00						
							to
				Purchasii	ng Ratio	#DIV/0!	step 11
			1	- archash	15 114110	# D1 1/0.	Stop 11

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				Test - I	Retailer				
				Form	1120S				
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				263A Co	mputation				
Step	<u> 11:</u>								
Calculate	combined a	Simplified	Resale Ab	sorption R	atio				
							From		
	Purchasing	g Ratio			#DIV/0!	step 10			
	S & H Rat	tio				#DIV/0!	step 9		
		Combined	l Resale Al	orption Ra	atio	#DIV/0!	to step 12		

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								Prep By:				
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				Test -	Retailer							
	Form 1120S											
	200612											
				263A C	omputation	1						
Step	12:											
Apply con	nbined rati	o to currer	nt year IRC	Section 47	71 costs:							
Total Current Year IRC Section 471 costs in ending inventory								\$ -		From Sch	L	
	Combined resale absorption ratio				-		#DIV/0!	From step	11			
		Capitaliza	able additio		#DIV/0!							